



City of Norman, OK

Municipal Building Council
Chambers
201 West Gray Street
Norman, OK 73069

Master

File Number: R-1314-27

File ID: R-1314-27

Type: Resolution

Status: Non-Consent Items

Version: 1

Reference: Item No. 34

In Control: City Council

Department: Finance Department

Cost:

File Created: 08/07/2013

File Name: Financing NTIFA Notes

Final Action:

Title: RESOLUTION NO. R-1314-27: A RESOLUTION APPROVING THE INCURRENCE OF INDEBTEDNESS BY THE NORMAN TAX INCREMENT FINANCE AUTHORITY (THE "AUTHORITY") ISSUING ITS TAX INCREMENT REVENUE NOTE, TAXABLE SERIES 2013 (THE "NOTE"); PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE INDENTURE AUTHORIZING THE ISSUANCE OF SAID NOTE; WAIVING COMPETITIVE BIDDING WITH RESPECT TO THE SALE OF SAID NOTE AND APPROVING THE PROCEEDINGS OF THE AUTHORITY PERTAINING TO THE SALE OF SAID NOTE; APPROVING AND AUTHORIZING EXECUTION OF A SECURITY AGREEMENT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA (THE "CITY") AND THE AUTHORITY PERTAINING TO THE PLEDGE OF CERTAIN SALES TAX INCREMENT REVENUES AND AD VALOREM TAX INCREMENT REVENUES; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

Notes: ACTION NEEDED: Motion to adopt or reject Resolution No. R-1314-27.

ACTION TAKEN: _____

Agenda Date: 08/13/2013

Agenda Number: 34

Attachments: 09 Resolution City R-1314-27

Project Manager: Anthony Francisco, Director of Finance

Entered by: Ellen.Usry@normanok.gov

Effective Date:

History of Legislative File

| Ver- sion: | Acting Body: | Date: | Action: | Sent To: | Due Date: | Return Date: | Result: |
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Text of Legislative File R-1314-27

Body

BACKGROUND: On June 23, 2009, City Council, acting as the Norman Tax Increment Finance Authority (NTIFA) adopted Resolutions approving the issuance of its tax apportionment notes, Series, 2009. The 2009 NTIFA Notes were purchased by UNP Realty Investors, a subsidiary of the University of Oklahoma (OU) Foundation. The 2009 NTIFA Notes, in the amount of \$14,560,000 allowed draws by the NTIFA on an "as needed" basis. The draws from the notes were used primarily to finance the Rock Creek Overpass over I-35, and interchange improvements at the Northeast Quadrant of Robinson Street and I-35, and now the design and construction of Legacy Park

The 2009 NTIFA Notes were issued on a floating interest rate scale, based on the one-year United States Treasury Security Rate, plus an escalating factor beginning on September ,1, 2013. The interest rate has a floor rate of 3.75%. The floor interest rate has continued to apply since the first draw primarily because the US Treasury Security Rates have been at historic lows. Terms of the 2009 NTIFA Notes also gave the OU Foundation the right of approval of any use of TIF sales and property tax apportionments to insure the uses were consistent with the Indenture. The intent of both the Council/NTIFA and the lender (UNP Realty Investors) was to refinance the notes on the open market at a future time when the tax apportionment revenue history of the University North Park Development was more established. The target date for that refinance for more permanent financing was September of 2013.

DISCUSSION: In several Finance Committee meetings and the City Council Conference of July 9, 2013, direction was given to Staff to solicit bid proposals to refinance the outstanding NTIFA Note Indebtedness on a taxable basis, with a ten-year maximum maturity. A term sheet describing the proposed 2013 NTIFA Refunding Notes, along with Resolutions of the NTIFA and the Council to authorize the 2013 NTIFA Notice, is attached. Bids will be received from qualified financing institutions on August 12th and a final recommendation regarding the placement of the 2013 Notice with a successful bidding firm will be forwarded to the NTIFA Trustees at that time.